

# COSTA MESA- SANITARY DISTRICT BUDGET



FISCAL YEAR  
2003-2004  
ADOPTED

# **Costa Mesa Sanitary District**

## **Operating and Capital Budget Fiscal Year 2003-2004**

### **BOARD OF DIRECTORS**

**Arlene Schafer  
President**

**James Ferryman  
Secretary/Director**

**Greg Woodside  
Vice President**

**Arthur Perry  
Director**

**Dan Worthington  
Director**

### **DISTRICT OFFICERS**

**Robin Hamers  
Manager/Engineer**

**Tom Fauth  
Assistant Manager**

**Joan Revak  
Clerk of the District**

**Alan Burns  
General Counsel**

**Submitted by:  
Marc Puckett  
District Treasurer**

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## **TRANSMITTAL LETTER**





# Costa Mesa Sanitary District

... an Independent Special District

## **Board of Directors**

Arlene Schafer  
Greg Woodside  
James Ferryman  
Art Perry  
Dan Worthington

JUNE 12, 2003

## **COSTA MESA SANITARY DISTRICT BOARD OF DIRECTORS:**

I am pleased to submit to you the adopted budget for Fiscal Year (FY) 2003-2004. This comprehensive document reflects our enthusiastic commitment to delivering essential sanitary solid and liquid waste services and outlines specific service programs and the financial plan designed to meet the service requirements of the District for the next twelve months.

## **Staff**

Robin B. Hamers  
Manager/District Eng.  
(949) 631-1731

The adopted FY 2003-04 operating and capital budget also serves as the basis for calculating the FY 2003-04 Solid and Liquid Waste Assessments. These assessments provide the necessary resources to the District to fund its spending plan for the ensuing fiscal year.

Thomas A. Fauth  
Assistant Manager  
(714) 754-5043

The budget preparation process serves as a tool for both the Board and staff to focus on the direction of the District over the next twelve months and beyond. The budget process assists the Board and staff in clearly defining the programs the District will be providing over the next year and quantifies the financial resource requirements to accomplish these programs while forecasting user fee impacts.

Joan Revak  
Clerk of the District  
(714) 754-5087

The adopted budget was developed concurrently with the preparation of the capital improvement project plans. The combination of preparing the budget and capital improvement program together produces a uniform map depicting the District's direction over the near term future. In addition, this combined process streamlines the overall budget process preparation time.

## **Fax**

(714) 432-1436

The following detailed information is included within the adopted operating and capital improvement budget document:

## **Mailing Address**

P. O. Box 1200  
Costa Mesa, CA  
92628-1200

- Program and Line item budget detail which supports the \$1,174,040.00 District/City contract.
- Preliminary draft rate calculations for the fiscal year 2003-04 estimated solid and liquid waste assessments based upon the most recent CPI data available.
- Schedule of Debt Service payments pursuant to the standardized container lease financing. The lease agreement calls for semi-annual payments to fund debt service payments on the purchase of the standardized trash containers.

## **Street Address**

77 Fair Drive  
Costa Mesa, CA  
92626-6520



Printed on  
Recycled Paper

Protecting our community's health by providing solid waste and sewer collection services.  
[costamesasanitarydistrict.org](http://costamesasanitarydistrict.org)

In addition to the information referenced above, appropriation detail for all operating line items within the budget has been included. Further, the authorizing resolution adopting the fiscal year 2003-2004 Capital and Operating Budget has been included for reference purposes together with a summary of key budgetary terms to better assist the reader with understanding the budget document.

Significant budgetary highlights are summarized and discussed below:

- Sanitary sewer project funding in the amount of \$648,000. This funding is key to maintaining the District's stated commitment to repairing and refurbishing its infrastructure to accommodate anticipated future demands upon the system.
- Short-term interest rates continue to hover at 45-year lows but are expected to rise significantly over the next year due to the expected upturn in the economy resulting in an increase in investment earnings over the next twelve-month period. Liquid Waste and Solid Waste Fund investment earnings are projected to average between 3.75% and 4.00% over the fiscal year. The actual investment earnings will vary based upon actual cash flows (thus the projected range). Interest rates are not expected to rise in the near term future as a result of the political and economic climate in other parts of the world.
- Continued allocation of all Property Tax Revenues to the Solid Waste Fund. This practice was recommended and approved by the Board to assist the Solid Waste (Trash Fund) in achieving a "break-even" point.
- An allocation of \$25,000 has been included in the Solid Waste Fund for the purchase of standardized trash containers.
- Debt Service payments in the amount of \$281,182 on the annual lease installment payments paid semi-annually at 4.92% for the purchase of standardized trash containers.
- Includes continued appropriation of \$11,240.82 to fund annual LAFCO fees based upon LAFCO's adopted cost allocations.
- No increases in rates have been included for any of the following:
  - District Manager's Retainer
  - District Attorney's Retainer
  - Transcription Services
  - Board Member meeting fees
  - Employee compensation bonus
- Deletion of election expense of \$20,000. Elections are held in alternate years and there is no election scheduled for FY2003-2004.

- Increased SDRMA General Liability Expense based upon 19.49% increase per the renewal invoice. The Board representative to the SDRMA will continue to monitor the level of reserves maintained by SDRMA to ensure that rates of the insurance pool are maintained at reasonable levels so as to mitigate future budgetary impacts upon the district.
- Revised reserve amount allocating funds in excess of minimum operating reserves to capital replacement reserves. Operating reserves were projected to be maintained at no less than one million dollars (\$1,000,000) based upon the Board's adopted financial policies regarding maintenance of reserves for unforeseen emergencies.
- Adopted rate increases of 2.08% in CMD and CR&R contract costs based upon the May, 2003, CPI data. The contract costs for CMD and CR&R are based upon year-over-year CPI comparisons for the trailing twelve-month period ending each May. Maximum rate increases in CMD and CR&R charges are limited to 3.0% based upon the relevant CPI data.
- Included increase of 8.0% in proposed solid waste rates pursuant to year 1 of the adopted revised strategic plan for the Solid Waste Fund.
- The adopted Operating and Capital Improvement budget reflects an included increase of 5.0% in liquid waste rates for normal operating cost increases, additional CIP funding and an inflationary adjustment factor. Proposed rates have been recalculated to reflect the proposed 5.0% increase.
- Assumed 6% increase in property tax revenues due to corresponding increase in property assessments and estimated supplemental assessments throughout the fiscal year.
- Continued shifting of the burden for administrative overhead charges from a "50/50" split between the Solid and Liquid funds to a "25/75" split with the 25% split of the administrative charges being absorbed within the Solid Waste fund.
- The proposed rate calculation for the trash charges incorporates the changes noted above. Finally, the Board had requested information to be presented separately regarding Special Programs. This information is presented separately within the adopted Operating Budget to assist the reader in identifying the costs associated with the conduct of each program.

Currently, there is no replacement reserve established and set aside to fund future replacement of the standardized trash containers. It is believed that if funding is set aside and reserved for a container management program, a separate reserve for replacement of the containers may not be necessary.



Prior to funding a reserve for the replacement of standardized trash containers, it is recommended that a complete analysis of available financing alternatives be considered. Funding a reserve currently would not take into consideration the budgetary effect of financing options that may be available when replacement of the containers on large scale may be necessary at or near the end of the containers anticipated useful lives. It is currently estimated that the majority of the containers will have a useful life of 15-20 years. This time horizon may allow for the accumulation of sufficient funds for the replacement needs if excess container management program funds are set-aside and reserved in a replacement reserve. Further, a graduated replacement of the containers on an “as-needed” basis may negate the need for the wholesale replacement of the containers in the future.

- An inflationary factor of 2.5% was applied to other miscellaneous line items in the operating budget. This factor is consistent with long term inflation rates. This forecasted factor does not attempt to anticipate the rapidity of an economic recovery as it may affect these budgetary items since any potential impact of unfavorable variances within these line-items upon the overall budget is not considered to be material.

In addition to the highlights noted above, staff has also modified the adopted budget based upon the Board’s direction at the June 6 Study Session.

### **The Budget Process**

The District’s budgeting practices uses a goals-driven approach that spans the planning, development, adoption and execution phases of the budget. These practices encourage developing organizational goals, and establishing policies and plans to achieve those goals and policies. In preparing this budget document, the recommended budget practices for improved state and local government budgeting prepared by the National Advisory Council on State and Local Budgeting (NACSLB) and the Government Finance Officer’s Association (GFOA) have been used to develop and formalize this budget process.

The District’s budget process has both financial and technical dimensions. It consists of the following broad principles:

1. Establish broad goals to guide decision making.
2. Develop approaches to achieve goals.
3. Develop a budget consistent with approaches to achieve goals.
4. Evaluate performance and make adjustments.

These principles are performed concurrently, in an iterative process, with information obtained from one activity or function aiding in the achievement of another.

### **Budgetary Accounting/Authority**

The budget process for all budgetary funds is based upon accounting for certain transactions on a budgetary basis, which is the modified accrual basis including encumbrances. Encumbrances may be liquidated any time after year-end without further budgetary authorization. The primary differences between the budgetary basis and Generally Accepted Accounting Principles (GAAP) basis are as follows:

1. Certain accruals (primarily accrued vacation and sick leave pay not currently applicable to the District) are excluded from the budgetary basis because such amounts are budgeted on a cash basis.
2. Year-end encumbrances are recognized as expenditures on the budgetary basis, while encumbered amounts are not recognized as expenditures on the GAAP basis until incurred.
3. Certain budgeted debt service expenditures in special revenue funds are recorded as operating transfers on a GAAP basis.
4. Overhead reimbursement on a budgetary basis is reflected as a reimbursement of expenditures on a GAAP basis.

### **Acknowledgement**

The preparation of the annual operating and capital improvement budget for the District takes a great deal of staff time and efforts, which has to be completed within a compressed time-frame. This effort has been accomplished through the dedicated efforts of the Finance Department staff, the District Manager and District Staff and the Central Services staff. Additionally, I would like to thank the District Board for their continued support and dedication to ensuring that the Sanitary District remains financially stable and that staff maintains its ability to react quickly to changing service demands due to the continued emphasis on maintaining and improving the fiscal health of the District.



Marc R. Puckett  
Director of Finance/  
District Treasurer

## **FINANCIAL SUMMARIES**



**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE COSTA MESA SANITARY DISTRICT ADOPTING A  
BUDGET FOR THE FISCAL YEAR 2003-04.**

THE BOARD OF DIRECTORS OF THE COSTA MESA SANITARY DISTRICT DOES  
HEREBY RESOLVE AS FOLLOWS:

THAT, WHEREAS, the Proposed Budget for the 2003-04 fiscal year has been prepared  
by order of the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED as follows:

SECTION 1: The Annual Budget for the Costa Mesa Sanitary District for the fiscal year  
beginning July 1, 2003 and ending June 30, 2004 is hereby adopted as set forth in the Proposed  
2003-04 Budget.

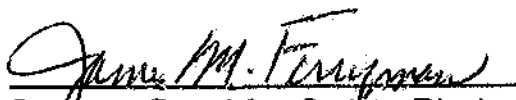
PASSED AND ADOPTED this 12<sup>th</sup> day of June 2003 by the following roll call vote.

AYES: BOARD MEMBERS: Arlene Schafer, Greg Woodside, James Ferryman,  
Art Perry

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS: Dan Worthington

ATTEST:

  
Secretary, Costa Mesa Sanitary District  
Board of Directors

  
President, Costa Mesa Sanitary District  
Board of Directors

STATE OF CALIFORNIA                    )  
COUNTY OF ORANGE                    ) ss  
COSTA MESA SANITARY DISTRICT        )

I, JOAN REVAK, Clerk of the District, hereby certify that the above and foregoing  
Resolution No. 2003-671 was duly and regularly passed and adopted by the said Board of  
Directors at a regular meeting thereof held on the 12<sup>th</sup> day of June 2003.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of the Costa  
Mesa Sanitary District this 12<sup>th</sup> day of June 2003.

  
Clerk of the Costa Mesa Sanitary District

**COSTA MESA SANITARY DISTRICT  
SOLID AND LIQUID FUNDS (COMBINED)  
ADOPTED BUDGET  
2003-2004 FISCAL YEAR**

	<b>FUND 594 SOLID</b>	<b>FUND 595 LIQUID</b>	<b>COMBINED TOTAL</b>
<b>REVENUES</b>			
Secured Taxes	94,500.00	0.00	94,500.00
Unsecured Taxes	7,140.00	0.00	7,140.00
Other Taxes	4,673.00	0.00	4,673.00
Delinquent Tax-Penalties	38,745.00	0.00	38,745.00
Permits	0.00	3,675.00	3,675.00
Excessive Effluent Discharge	0.00	2,100.00	2,100.00
Investment Earnings	86,100.00	262,500.00	348,600.00
Permits & Inspection Fees	0.00	12,600.00	12,600.00
O.C.S.D. fees-CMSD share	0.00	11,550.00	11,550.00
Other State Grants	5,250.00	0.00	5,250.00
Sale of Maps and Publications	0.00	105.00	105.00
New Trash Container Fees	25,000.00	0.00	25,000.00
Other Charges for Services	210.00	105.00	315.00
Special Assessments	1,050.00	1,050.00	2,100.00
Trash Charges	4,410,970.00	0.00	4,410,970.00
Sewer Charges	0.00	1,656,776.00	1,656,776.00
Contributions	5,250.00	0.00	5,250.00
Annexation Fees	525.00	0.00	525.00
Other Reimbursement	2,100.00	0.00	2,100.00
<b>TOTAL REVENUES</b>	<b>4,681,513.00</b>	<b>1,950,461.00</b>	<b>6,631,974.00</b>
<b>OPERATING EXPENSES</b>			
Payroll Related Expenses	993.00	2,946.00	3,939.00
Travel / Meals / Lodging / Registration / Mileage	4,095.00	12,285.00	16,380.00
Dues - Professional organizations	8,663.00	16,958.00	25,621.00
Supplies / Publications / Subscriptions / Promotional items	2,626.00	21,815.00	24,441.00
Legal Notices(Election Expense)	0.00	0.00	0.00
Public Education / Information / Community Info	4,095.00	12,285.00	16,380.00
Board Members Wages (meeting attendance)	11,475.00	34,425.00	45,900.00
Repair & Maintenance	0.00	41,786.00	41,786.00
Strategic Plan	1,355.00	5,628.00	6,983.00
Professional Services	5,125.00	15,375.00	20,500.00
Attorney	12,815.00	38,435.00	51,250.00
District Engineer- Retainer	0.00	0.00	0.00
Engineering Services	0.00	144,648.00	144,648.00
Auditing Services	1,239.00	3,717.00	4,956.00
City Contract-Solid	229,058.00	0.00	229,058.00
City Contract-Liquid	0.00	944,982.00	944,982.00
Trash Hauler	2,210,422.00	0.00	2,210,422.00
Contract Code Enforcement	37,028.00	9,844.00	46,872.00
Recycling Contract	1,951,115.00	0.00	1,951,115.00
Manager	10,250.00	30,750.00	41,000.00
Transcription Services	2,255.00	6,765.00	9,020.00
General Liability- Insurance	12,154.00	36,460.00	48,614.00
Sharps Program	5,550.00	0.00	5,550.00
Household Hazardous Waste Program	24,000.00	0.00	24,000.00
Telephone Book Recycling Program	10,500.00	0.00	10,500.00
Large Item Pick-Up	12,500.00	0.00	12,500.00
Used Tire Roundup	250.00	0.00	250.00
Christmas Tree Recycling	5,000.00	0.00	5,000.00
Greeting Card Recycling	200.00	0.00	200.00

**COSTA MESA SANITARY DISTRICT  
SOLID AND LIQUID FUNDS (COMBINED)  
ADOPTED BUDGET  
2003-2004 FISCAL YEAR**

	<b>FUND 594 SOLID</b>	<b>FUND 595 LIQUID</b>	<b>COMBINED TOTAL</b>
Non-operating Expense - Other	1,000.00	1,076.00	2,076.00
Capital Outlay	25,000.00	0.00	25,000.00
Debt Service- Principal Payment	188,310.00	0.00	188,310.00
Debt Service- Interest Payment	92,872.00	0.00	92,872.00
<b>TOTAL OPERATING EXPENSES</b>	<b>4,869,945.00</b>	<b>1,380,180.00</b>	<b>6,250,125.00</b>
<b>CAPITAL PROJECTS</b>			
<b>PROPOSED 03-04</b>			
149 Sinking Fd/Future Sewer Replc	0.00	100,000.00	100,000.00
159 Televising Swr Lines	0.00	18,000.00	18,000.00
164 Misc. Swr. Work/Manhole Adj.	0.00	90,000.00	90,000.00
172 Waste Discharge Req. (WDR) Phase I	0.00	250,000.00	250,000.00
173 SC Plaza Pump Station Force Main Replace.	0.00	190,000.00	190,000.00
<b>TOTAL PROPOSED CAPITAL PROJECTS</b>	<b>0.00</b>	<b>648,000.00</b>	<b>648,000.00</b>
<b>TOTAL EXPENSES</b>	<b>4,869,945.00</b>	<b>2,028,180.00</b>	<b>6,898,125.00</b>
<b>EXCESS ( DEFICIENCY OF REVENUES OVER REVENUES OVER EXPENDITURES)</b>	<b>(188,432.00)</b>	<b>(77,719.00)</b>	<b>(266,151.00)</b>
<b>FUND EQUITY</b>			<b>Projected June 30, 2004</b>
Solid (Trash) Reserve	(188,432.00)		(188,432.00)
Solid (Trash) Cap. Rep. Reserve			
Liquid (Sewer) Reserve		(77,719.00)	(77,719.00)
Facility Replacement Reserve			
Sewer Construction Reserve(Closeout-Sewer Constr Fd)			
Sinking Fund/Sewer Rehabilitation And Replacement Reserve			
Capital Replacement Reserve			
<b>Total Fund Equity</b>			<b>(266,151.00)</b>

**CITY OF COSTA MESA, CALIFORNIA**

<b>MAJOR PROGRAM CATEGORY</b>	: Community Health and Environment
<b>PROGRAM</b>	: Sanitation
<b>SUB-PROGRAM</b>	: Refuse Management
<b>ACTIVITY</b>	: Refuse Management, Program #20210

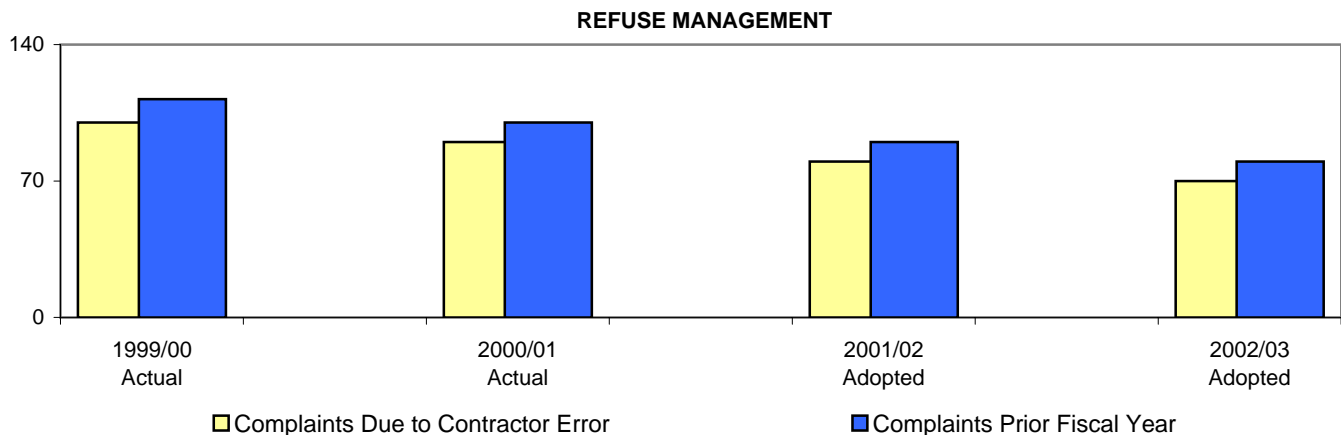
**DESCRIPTION:**

This program is responsible for the management of the refuse collection and recycling contracts between the Costa Mesa Sanitary District and private contractors. City staff manages the contracts and answers all question regarding refuse collection, residential recycling, and special programs, e.g. large item pickup program, telephone book recycling, and Christmas tree recycling programs.

**OBJECTIVES:**

1. To provide refuse collection to all residential property once each week with a minimum of complaints due to contractor error.
2. To provide a recycling program in which 50 percent of the trash collected is recycled.
3. To provide to the community special programs for education and the reduction of waste.

<b>PERFORMANCE INDICATORS</b>	<b>1999/00 Actual</b>	<b>2000/01 Actual</b>	<b>2001/02 Adopted</b>	<b>2002/03 Adopted</b>
1. Complaints Due to Contractor Error	100	90	80	70
Complaints Prior Fiscal Year	112	100	90	80
Percent Change	-11%	-10%	-11%	-12.5%
2. Diversion Percentage	50%	50%	50%	50%
3. Provide Educational Programs	10	10	10	10



**CITY OF COSTA MESA, CALIFORNIA**

**BUDGET HIGHLIGHTS / PROGRAM 20210 (REFUSE MANAGEMENT):**

This service is fully funded by Costa Mesa Sanitary District trash assessments and reflects services provided to the District on a contract basis.

<b>FULL-TIME EQUIVALENT STAFFING:</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>2.1</b>
<b>EXPENDITURES BY PROGRAM:</b>	<b>1999-00 ACTUAL</b>	<b>2000-01 ACTUAL</b>	<b>2001-02 ADOPTED</b>	<b>2002-03 ADOPTED</b>
<b>SALARIES &amp; BENEFITS</b>	\$ 71,924	\$ 89,252	\$ 123,500	\$ 113,586
<b>MAINTENANCE &amp; OPERATIONS</b>				
Materials & Supplies	1,702	1,762	42,300	16,375
Utilities	-	-	30,100	14,174
Communication & Transportation	8,293	4,887	13,710	8,925
Repairs & Maintenance	18	127	400	657
Professional Services	8,907	8,736	1,500	1,520
Allocated & Miscellaneous	2,700	1,289	48,280	50,547
Insurance & Other Costs	180	210	6,450	4,269
Other Financing Uses	-	-	-	-
<b>TOTAL M&amp;O EXPENDITURES</b>	<b>21,800</b>	<b>17,011</b>	<b>142,740</b>	<b>96,467</b>
<b>FIXED ASSETS</b>	<b>-</b>	<b>-</b>	<b>11,400</b>	<b>8,098</b>
<b>SUB-TOTAL</b>	<b>93,724</b>	<b>106,263</b>	<b>277,640</b>	<b>218,151</b>
<b>CAPITAL IMPROVEMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 93,724</b>	<b>\$ 106,263</b>	<b>\$ 277,640</b>	<b>\$ 218,151</b>
<b>EXPENDITURES BY ORGANIZATION:</b>	<b>1999-00 ACTUAL</b>	<b>2000-01 ACTUAL</b>	<b>2001-02 ADOPTED</b>	<b>2002-03 ADOPTED</b>
Public Services Administration - 19100	\$ 2,880	\$ 6,368	\$ 5,410	\$ 5,766
Sanitation - 19600	90,844	99,895	272,230	212,385
<b>TOTAL EXPENDITURES</b>	<b>\$ 93,724</b>	<b>\$ 106,263</b>	<b>\$ 277,640</b>	<b>\$ 218,151</b>
<b>RESOURCES:</b>	<b>1999-00 ACTUAL</b>	<b>2000-01 ACTUAL</b>	<b>2001-02 ADOPTED</b>	<b>2002-03 ADOPTED</b>
General Fund - 101	\$ 93,724	\$ 106,263	\$ 277,640	\$ 218,151
<b>TOTAL RESOURCES</b>	<b>\$ 93,724</b>	<b>\$ 106,263</b>	<b>\$ 277,640</b>	<b>\$ 218,151</b>



**CITY OF COSTA MESA, CALIFORNIA**

<b>MAJOR PROGRAM CATEGORY</b>	:	Community Health and Environment
<b>PROGRAM</b>	:	Sanitation
<b>SUB-PROGRAM</b>	:	Sewers
<b>ACTIVITY</b>	:	Sewers, Program #20220

**DESCRIPTION:**

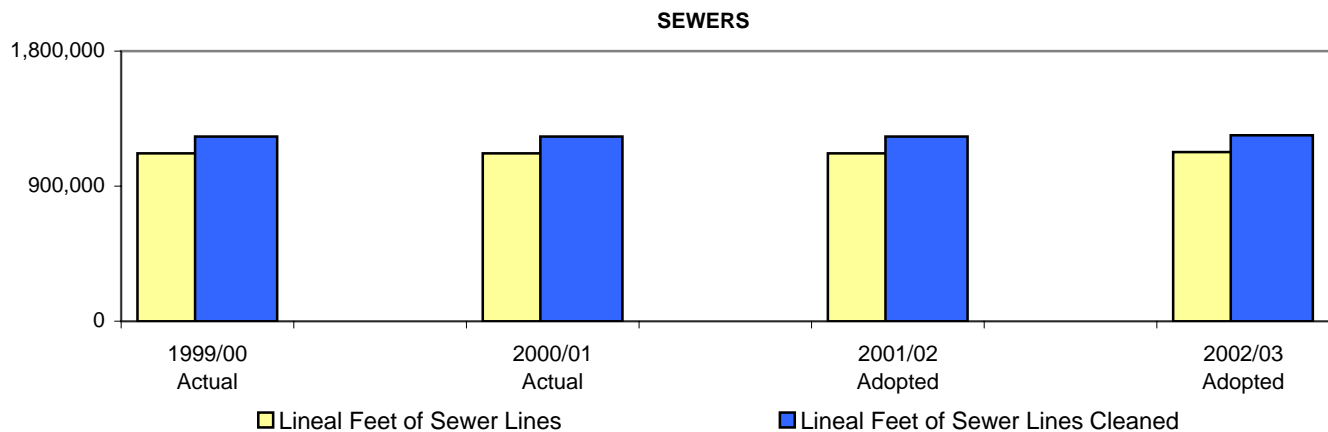
This program is responsible for maintaining all sewer lines and 20 pump stations with 24-hour service.

**OBJECTIVES:**

1. To clean all sewage collection lines at least once during Fiscal Year 2001-2002.
2. To minimize customer inconvenience by clearing all stoppages within two (2) hours of notification.

PERFORMANCE INDICATORS	1999/00 Actual	2000/01 Actual	2001/02 Adopted	2002/03 Adopted
1. Lineal Feet of Sewer Lines	1,118,660	1,118,660	1,118,660	1,126,839
Lineal Feet of Sewer Lines Cleaned	1,230,526	1,230,526	1,230,526	1,239,523
Effectiveness	110%	110%	110%	110%
2. Sewage Stoppage Notifications	6	8	8	7
Sewer Stoppage Cleared within 2 Hours	6	8	8	7
Effectiveness	100%	100%	100%	100%

\* Gravity Lines Excluding 4" and 6"



**CITY OF COSTA MESA, CALIFORNIA**

**BUDGET HIGHLIGHTS / PROGRAM 20220 (SEWERS):**

This service is fully funded by Costa Mesa Sanitary District sewer assessments and reflects services provided to the District on a contract basis.

**FULL-TIME EQUIVALENT STAFFING:** 6.4 7.0 6.9 7.3

<b>EXPENDITURES BY PROGRAM:</b>	<b>1999-00 ACTUAL</b>	<b>2000-01 ACTUAL</b>	<b>2001-02 ADOPTED</b>	<b>2002-03 ADOPTED</b>
<b>SALARIES &amp; BENEFITS</b>	\$ 383,041	\$ 423,615	\$ 452,280	\$ 491,234
<b>MAINTENANCE &amp; OPERATIONS</b>				
Materials & Supplies	42,692	49,547	42,310	63,773
Utilities	62,417	69,785	30,100	55,204
Communication & Transportation	14,362	17,285	13,700	34,761
Repairs & Maintenance	1,399	6,415	400	2,560
Professional Services	9,268	6,179	1,500	5,920
Allocated & Miscellaneous	83,850	121,653	188,030	196,867
Insurance & Other Costs	2,842	5,274	29,460	19,658
Other Financing Uses	-	-	-	-
<b>TOTAL M&amp;O EXPENDITURES</b>	<b>216,830</b>	<b>276,138</b>	<b>305,500</b>	<b>378,743</b>
<b>FIXED ASSETS</b>	<b>-</b>	<b>1,212</b>	<b>40,940</b>	<b>31,539</b>
<b>SUB-TOTAL</b>	<b>599,871</b>	<b>700,965</b>	<b>798,720</b>	<b>901,516</b>
<b>CAPITAL IMPROVEMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 599,871</b>	<b>\$ 700,965</b>	<b>\$ 798,720</b>	<b>\$ 901,516</b>
<b>EXPENDITURES BY ORGANIZATION:</b>	<b>1999-00 ACTUAL</b>	<b>2000-01 ACTUAL</b>	<b>2001-02 ADOPTED</b>	<b>2002-03 ADOPTED</b>
Public Services Administration - 19100	\$ 748	\$ 2,875	\$ 5,410	\$ 5,766
Engineering - 19200	41,272	26,333	31,340	32,205
Maintenance Services -19500	-	31,373	30,200	36,865
Sanitation - 19600	557,851	640,384	731,770	826,680
<b>TOTAL EXPENDITURES</b>	<b>\$ 599,871</b>	<b>\$ 700,965</b>	<b>\$ 798,720</b>	<b>\$ 901,516</b>
<b>RESOURCES:</b>	<b>1999-00 ACTUAL</b>	<b>2000-01 ACTUAL</b>	<b>2001-02 ADOPTED</b>	<b>2002-03 ADOPTED</b>
General Fund - 101	\$ 599,871	\$ 700,965	\$ 798,720	\$ 901,516
<b>TOTAL RESOURCES</b>	<b>\$ 599,871</b>	<b>\$ 700,965</b>	<b>\$ 798,720</b>	<b>\$ 901,516</b>

**CITY OF COSTA MESA, CALIFORNIA**

<b>MAJOR PROGRAM CATEGORY</b>	:	Community Health and Environment			
<b>PROGRAM</b>	:	Sanitation			
<b>SUB-PROGRAM</b>	:	Recycling			
<b>ACTIVITY</b>	:	Recycling, Program #20230			
<b>DESCRIPTION:</b>  This program is responsible for the City's implementation and monitoring of the Integrated Waste Management Act of 1989 (AB 939). This program is funded by Source Reduction and Recycling fee charged to all trash haulers working in the City.					
<b>OBJECTIVES:</b>  1. To ensure goals of AB 939 are met by the City.  2. To monitor solid waste diversion rates for the City.  3. To implement used oil and household hazardous waste recycling programs funded by grants from the State of California.					
<b>PERFORMANCE INDICATORS</b>	<b>1999/00 Actual</b>	<b>2000/01 Actual</b>	<b>2001/02 Adopted</b>	<b>2002/03 Adopted</b>	
AB 939 Diversion Requirement Goals	25%	50%	50%	50%	
City Diversion Rate	48%	50%	50%	50%	
Effectiveness	192%	100%	100%	100%	

**CITY OF COSTA MESA, CALIFORNIA**

**BUDGET HIGHLIGHTS / PROGRAM 20230 (RECYCLING):**

Decrease in Salaries & Benefits is due to reallocation of staff to other program areas. Professional Services

<b>FULL-TIME EQUIVALENT STAFFING:</b>				
	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>
<b>EXPENDITURES BY PROGRAM:</b>	<b>1999-00 ACTUAL</b>	<b>2000-01 ACTUAL</b>	<b>2001-02 ADOPTED</b>	<b>2002-03 ADOPTED</b>
<b>SALARIES &amp; BENEFITS</b>	\$ 45,928	\$ 34,157	\$ 42,920	\$ 37,179
<b>MAINTENANCE &amp; OPERATIONS</b>				
Materials & Supplies	14,359	231	700	700
Utilities	-	-	-	350
Communication & Transportation	751	551	750	325
Repairs & Maintenance	96	100	100	-
Professional Services	61,170	74,412	75,250	50,250
Allocated & Miscellaneous	708	1,552	1,160	1,161
Insurance & Other Costs	4,280	2,082	2,550	4,180
Other Financing Uses	-	-	-	-
<b>TOTAL M&amp;O EXPENDITURES</b>	<b>81,364</b>	<b>78,928</b>	<b>80,510</b>	<b>56,966</b>
<b>FIXED ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SUB-TOTAL</b>	<b>127,292</b>	<b>113,085</b>	<b>123,430</b>	<b>94,145</b>
<b>CAPITAL IMPROVEMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 127,292</b>	<b>\$ 113,085</b>	<b>\$ 123,430</b>	<b>\$ 94,145</b>
<b>EXPENDITURES BY ORGANIZATION:</b>	<b>1999-00 ACTUAL</b>	<b>2000-01 ACTUAL</b>	<b>2001-02 ADOPTED</b>	<b>2002-03 ADOPTED</b>
Public Services Administration - 19100	\$ 124,208	\$ 113,085	\$ 123,430	\$ 94,145
Maintenance Services - 19500	3,084	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 127,292</b>	<b>\$ 113,085</b>	<b>\$ 123,430</b>	<b>\$ 94,145</b>
<b>RESOURCES:</b>	<b>1999-00 ACTUAL</b>	<b>2000-01 ACTUAL</b>	<b>2001-02 ADOPTED</b>	<b>2002-03 ADOPTED</b>
General Fund - 101	\$ 127,292	\$ 113,085	\$ 123,430	\$ 94,145
<b>TOTAL RESOURCES</b>	<b>\$ 127,292</b>	<b>\$ 113,085</b>	<b>\$ 123,430</b>	<b>\$ 94,145</b>

**COSTA MESA SANITARY DISTRICT  
RATE CALCULATION  
SOLID WASTE COLLECTION  
FISCAL YEAR COMPARISON**

	ADOPTED BUDGET FY 02/03	10 MOS ACTUAL FY 02/03	ADOPTED BUDGET FY 03/04
<b>REVENUES:</b>			
Solid Waste Charge	4,038,475	3,414,100	4,410,970
Taxes	138,150	111,310	145,058
Interest Earnings	82,000	40,188	86,100
Other Revenue	34,700	32,056	39,385
Loan Proceeds			
<b>TOTAL REVENUES</b>	<b>4,293,325</b>	<b>3,597,654</b>	<b>4,681,513</b>

<b>EXPENDITURES:</b>			
Operating Costs - Sanitation Dept.	218,150	115,812	229,058
Trash Hauler Contract	2,128,703	1,779,575	2,210,422
Contract Code Enforcement	35,265	26,342	37,028
Recycling Contract	1,773,997	1,429,982	1,951,115
Sharps Program	13,000	4,571	5,550
Household Hazardous Waste Program	21,525	15,774	24,000
Telephone Book Recycling Program	18,000	10,399	10,500
Large Item Pick-Up	9,500	9,090	12,500
Used Tire Roundup	0	0	250
Christmas Tree Recycling	0	0	5,000
Greeting Card Recycling	0	0	200
Capital Outlay	15,000	0	25,000
Direct Costs Subtotal	<b>4,233,140</b>	<b>3,391,545</b>	<b>4,510,623</b>
District Management	12,750	19,320	10,250
Board Members Meetings	11,475	15,755	11,475
Insurance	10,250	0	12,154
Memberships	8,250	7,025	8,663
Miscellaneous expense-Community Promotion	1,200	27	2,626
Professional Svcs-Attny	12,815	16,211	12,815
Professional Svcs	5,125	4,500	5,125
Auditing Svcs	1,180	948	1,239
Travel & Meetings	3,900	4,555	4,095
Public Education	2,700	1,837	4,095
Election Expenses	5,000	12,403	0
Transcription Services	2,255	2,196	2,255
Strategic Plan	1,290	2,640	1,355
Other Operating Costs	0	0	0
Non-Operating Exp - Other	2,050	41,916	1,000
Payroll Related Expenses	945	1,203	993
Debt Service- Principal Payment	179,376	179,376	188,310
Debt Service - Interest Payment	101,806	101,806	92,872
Indirect Costs Subtotal	<b>362,367</b>	<b>411,718</b>	<b>359,322</b>
<b>TOTAL EXPENDITURES</b>	<b>4,595,507</b>	<b>3,803,263</b>	<b>4,869,945</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(302,182)</b>	<b>(205,609)</b>	<b>(188,432)</b>

	Funds Required	Occupancy	Rate	
<b>2003-2004 PROPOSED PROJECTED SOLID WASTE CHARGES:</b>	<b>4,410,970</b>	21,092	209.13 8.0% Increase	(1)
<b>2002-03 Solid Waste CHARGES:</b>	4,079,220	21,066	193.64	
(1) Fully Burdened Rate	4,598,021	21,092	218.00 12.58% Increase	

**COSTA MESA SANITARY DISTRICT  
RATE CALCULATION  
LIQUID WASTE COLLECTION  
FISCAL YEAR COMPARISON**

	ADOPTED BUDGET FY 02/03	10 MOS ACTUAL FY 02/03	ADOPTED BUDGET FY 02/03
<b>REVENUES:</b>			
Liquid Charge	1,577,882	1,324,121	1,656,776
Interest Earnings	250,000	161,778	262,500
Taxes	0	15,072	0
Other Revenue	29,700	50,986	31,185
<b>TOTAL REVENUES</b>	<b>1,857,582</b>	<b>1,551,957</b>	<b>1,950,461</b>
<b>EXPENDITURES:</b>			
Operating Costs - Sanitation Dept. City Budget	899,983	580,459	944,982
Contract Code Enforcement	9,375	0	9,844
Repair & Maintenance	39,796	0	41,786
District Engineer - Retainer	30,750	18,795	0
District Engineer - Engineering Services	137,760	128,340	144,648
Capital Outlay	0	0	0
Capital Improvement Projects	999,600	5,697	648,000
Direct Costs Subtotal	<b>2,117,264</b>	<b>733,291</b>	<b>1,789,260</b>
District Management	20,775	4,288	30,750
Board Members Meetings	34,425	15,755	34,425
Insurance	30,750	0	36,460
Dues-Memberships	16,150	8,425	16,958
Miscellaneous expense-Community Promotion	3,600	27	21,815
Professional Svcs-Attny	38,435	16,211	38,435
Professional Svcs	15,375	4,500	15,375
Auditing Services	3,540	2,846	3,717
Travel & Meetings	11,700	5,756	12,285
Public Education	8,100	3,113	12,285
Election Expenses (Legal Notices)	15,000	12,403	0
Strategic Plan	5,360	2,640	5,628
Transcription Services	6,765	2,450	6,765
Payroll Related Expenses	2,805	1,202	2,946
Other Operating Exp	0	0	0
Non-Operating Exp - Other(Contributions)	1,025	180	1,076
Indirect Costs Subtotal	<b>213,805</b>	<b>79,796</b>	<b>238,920</b>
<b>TOTAL EXPENDITURES</b>	<b>2,331,069</b>	<b>813,087</b>	<b>2,028,180</b>
<b>EXCESS(DEFICIENCY) OF REVENUE OVER EXPENDITURES FROM OPERATONS</b>	<b>(473,487)</b>	<b>738,870</b>	<b>(77,719)</b>

<b>2003-2004 PROPOSED PROJECTED SEWER CHARGES:</b>		
	RATE	ASSMT UNIT
Single Family	26.65	Dwelling
Multi/Mobile Homes	20.52	Dwelling
Commercial	15.50	/1,000 sq. ft.
Industrial	45.65	/1,000 sq. ft.
Other	13.73	/1,000 sq. ft.
*Projected 5% Increase		
<b>2002-03 SEWER CHARGES:</b>		
Single Family	25.38	Dwelling
Multi/Mobile Homes	19.54	Dwelling
Commercial	14.76	/1,000 sq. ft.
Industrial	43.48	/1,000 sq. ft.
Other	13.08	/1,000 sq. ft.

# COSTA MESA SANITARY DISTRICT

## Rate Calculation for CR Transfer, Inc. Fiscal Year 2003-2004

			2003-2004	2002-2003	Increase (Decrease)	%
2002-03 Year Base Rate	\$38.06	Base Rate	38.85	38.06	0.79	2.08%
2002-03 Diversion %	50.00%	Landfill Rate	11.00	11.00	0.00	0.00
2003-04 Diversion %	50.00%					
2002-03 Landfill Fee(per Ton)	\$22.00					
2003-04 Landfill Fee(per Ton)	\$22.00	Transfer Rate	49.85	49.06	0.79	1.61%
CPI as of May, 2002	182.6					
CPI as of May, 2003	186.4					

- May 2003 / May 2002 = 2.08%

CPI (186.4-182.6) / 182.6 = 2.08%

2002-03	\$38.06		
CPI	2.08%		
	0.79	2003-2004	Landfill Fee @ \$22.00 x 50.00% = 11.00
		2002-2003	Landfill Fee @ \$22.00 x 50.00% = 11.00
Per Ton Increase	0.79		

### Contractual Requirements

Fiscal Year	Required	Base Compensation per ton of waste
Beginning	Diversion	delivered to CRT (excluding landfill fees)

JULY	01		CPI			
			<b>Not to exceed 3%</b>		\$18.92	
1995	25.00%	\$18.92 + 3% (18.92)=	(0.03000	x 18.92) +	18.92 =	19.49
1996	30.00%	Previous Base + CPI	(0.01547	x 19.49) +	19.49 =	19.79
1997	30.00%	Previous Base + CPI	(0.01270	x 19.79) +	19.79 =	20.04
1998	37.50%	Previous Base + CPI + \$6.92 per ton	(0.01442	x 20.04) +	20.04 =	27.31
1999	50.00%	Previous Base + CPI + \$6.92 per ton	(0.02402	x 27.31) +	27.31 =	34.89
2000	50.00%	Previous Base + CPI	(0.02948	x 34.89) +	34.89 =	35.92
2001	50.00%	Previous Base + CPI	(0.03000	x 35.92) +	35.92 =	37.00
2002	50.00%	Previous Base + Renegotiated CPI	(0.0287	x 37.00) +	37.00 =	38.06
2003	50.00%	Previous Base + Renegotiated CPI	(0.0208	x 38.06) +	38.06 =	38.85

**COSTA MESA SANITARY DISTRICT**

**Rate Calculation for CR Transfer, Inc.  
Fiscal Year 2003-2004**

2002-2003 FISCAL YEAR TONNAGE

	<u>City of Costa Mesa</u>	<u>Santa Ana Heights</u>	<u>Total Tonage</u>
July	3,396.73	263.17	3,659.90
August	3,142.52	207.20	3,349.72
September	2,959.78	190.33	3,150.11
October	2,969.98	230.36	3,200.34
November	2,862.22	199.97	3,062.19
December	3,075.73	213.56	3,289.29
January	3,289.23	255.77	3,545.00
February	2,603.85	190.90	2,794.75
March	2,898.59	199.77	3,098.36
April	3,101.34	256.72	3,358.06
May	3,233.40	223.47	3,456.87
June, 2002*	2,946.47	197.01	3,143.48
	<b>TOTAL</b>		<b>39,108.07</b>
	Total x Base Rate = 39,108.07x38.85=		1,519,349
	Total x Landfill Fee = 39,108.07x11.00=		430,189
Total Tonnage	39,108.07	Total	<b>\$ 1,949,538</b>
Avg. Per Month	3,259.01	Total Budget =	<b>\$ 1,951,115</b>
	Budget Variance Fav/(Unfav)		<b>\$ 1,577</b>

\* - Amounts from previous years used, current year figures are unavailable.



**COSTA MESA DISPOSAL**  
**Trash Rate Calculation**

CONSUMER PRICE INDEX(LOS ANGELES/RIVERSIDE, ORANGE AREA) INCREASE

Index as of May, 2002	182.6
Index as of May, 2003	186.4
Occupancy as of June, 2003 (occupancy total per Tom)	21,082
Percentage increase	$(186.4-182.6)/182.6 = 2.08\%^*$
* Maximum increase 3%	

Basic Rate Calculation :

Last Year's Basic Rate (Sec. IV)=	<u>8.4540</u>	per occupancy
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New Basic Rate=8.4540 x 2.08%	0.1758
Last Year's Basic Rate	<u>8.4540</u>
Effective July 1, 2003, the rate shall be:	<u>8.6298</u>

8.6298 X 21,082 X 12=	2,183,201
Large Item Pickup Landfill Charges +	<u>7,000</u>
	<u>\$ 2,190,201</u>

Budget Amount	<u>\$ 2,210,422</u>
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Budget Variance Fav/(Unfav)	<u>\$ 20,221</u>
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**COSTA MESA SANITARY DISTRICT  
TRASH RATE BREAKDOWN  
Fiscal Year 2003-2004**

\$209.13/YEAR

\$17.43/MONTH

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112.34	Hauler	9.36
70.75	Recycler	5.90
21.10	Landfill	1.76
4.94	Administrative	0.41

**Formulas:**

Hauler- Divide the new Trash Hauler Contract rate by total occupancy=Year amount  
Divide the year total 12=Month amount

Recycler- two ways to get this total

- A. Divide the base rate from the CR Transfer rate by total occupancy.
- B. Divide the total budget(CR Transfer) by the total occupancy. Divide the transfer rate into the base rate and multiply that % by the outcome of the first action. The other half of the % multiply by the outcome of the first -----action.This will provide the answer to the Recycler and the Landfill.

Landfill-CR Transfer and take the outcome from multiplying the landfill fee by 11 (landfill fee X 50%= and this total divide by the total occupancy.

Administrative= is what's leftover.

G. Payment Schedule: Payable semi-annually in arrears

#01-074-AF

PMT #	Due Date	(1) Rental Payment	(2) Purchase Option	To Principal	To Interest
1	02/28/02	\$140,591.00	2,166,367.23	\$86,471.00	54,120.00
2	08/28/02	140,591.00	2,075,554.08	88,598.19	51,992.81
3	02/28/03	140,591.00	1,982,506.94	90,777.70	49,813.30
4	08/28/03	140,591.00	1,887,170.84	93,010.83	47,580.17
5	02/28/04	140,591.00	1,789,489.46	95,298.90	45,292.10
6	08/28/04	140,591.00	1,689,405.13	97,643.25	42,947.75
7	02/28/05	140,591.00	1,586,858.72	100,045.28	40,545.72
8	08/28/05	140,591.00	1,481,789.67	102,506.39	38,084.61
9	02/28/06	140,591.00	1,374,135.92	105,028.05	35,562.95
10	08/28/06	140,591.00	1,263,833.89	107,611.74	32,979.26
11	02/28/07	140,591.00	1,150,818.42	110,258.99	30,332.01
12	08/28/07	140,591.00	1,035,022.78	112,971.36	27,619.64
13	02/28/08	140,591.00	916,378.57	115,750.45	24,840.55
14	08/28/08	140,591.00	794,815.71	118,597.91	21,993.09
15	02/28/09	140,591.00	670,262.40	121,515.42	19,075.58
16	08/28/09	140,591.00	542,645.09	124,504.70	16,086.30
17	02/28/10	140,591.00	411,888.38	127,567.52	13,023.48
18	08/28/10	140,591.00	277,915.06	130,705.68	9,885.32
19	02/28/11	140,591.00	140,645.99	133,921.04	6,669.96
20	08/28/11	140,591.00	0.00	137,215.60	3,375.40

TOTALS: \$2,811,820.00 \$2,200,000.00 \$611,820.00

- (1) Refer to the paragraph in the Agreement entitled "Release of Liens"  
 (2) Refer to the paragraph in the Agreement entitled "Purchase Option and  
 "Release of Liens." Prepayment options are in addition to the  
 Rental Payment due on the same day.

Approved and agreed to:

MUNICIPAL FINANCE CORPORATION  
 (lessor)

By: *Lipie M. Matte*

Title: MANAGER OF ADMINISTRATION

Date: 8/21/01

COSTA MESA SANITARY DISTRICT  
 (lessee)

By: *Arlene Schaffer*

Title: Arlene Schaffer President

Date: August 21, 2001

By: *Art Perry*

Title: Art Perry Secretary

Date: August 21, 2001

## **APPROPRIATION DETAIL**



**COSTA MESA SANITARY DISTRICT  
SOLID FUND - ADOPTED  
2003-2004 FISCAL YEAR**

2003-2004  
ADOPTED  
BUDGET

ACCOUNT	FUND	ORG	PROGRAM	%
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**Taxes**

410100	594	80000	20210	100%
410110	594	80000	20210	100%
410120	594	80000	20210	100%
410130	594	80000	20210	100%
410135	594	80000	20210	100%

**Interest**

425100	594	80000	20210	100%
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**Intergovernmental**

430150	594	80000	20210	50%
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**State Government**

430299	594	80000	20210	100%
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**Charges for Services**

435196	594	80000	20210	100%
435999	594	80000	20210	100%
440200	594	80000	20210	100%
440300	594	80000	20210	100%

**Contributions**

450100	594	80000	20210	100%
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**Reimbursements**

455230	594	80000	20210	50%
430285	594	80000	20210	100%
455999	594	80000	20210	100%

**Non Operating Revenue**

465300	594	80000	20210	100%
465600	594	80000	20210	100%

**REVENUES**

Secured Taxes	<b>94,500</b>
Unsecured Taxes	<b>7,140</b>
Supplemental Taxes	<b>3,675</b>
Homeowners Taxes	<b>998</b>
Delinquent Tax-Penalties	<b>38,745</b>
<b>TOTAL</b>	

145,058

Investments Earnings	<b>86,100</b>
<b>TOTAL</b>	

86,100

FEMA Disaster Reimbursement	
<b>TOTAL</b>	

0

Other State Grants	
<b>TOTAL</b>	

0

New Trash Container Fees	<b>25,000</b>
Other Charges for Services	<b>210</b>
Special Assessments	<b>1,050</b>
Solid Waste Charges	<b>4,410,970</b>
<b>TOTAL</b>	

4,437,230

Contributions	<b>5,250</b>
<b>TOTAL</b>	

5,250

OC Bankruptcy reimbursement	
Reimbursement Of Mandated Costs	<b>5,250</b>
Other Reimbursements	<b>2,100</b>
<b>TOTAL</b>	

7,350

Annexation Fees	<b>525</b>
Non Operating -Other	
<b>TOTAL</b>	

525

**TOTAL REVENUES**

**4,681,513**

**4,681,513**

**COSTA MESA SANITARY DISTRICT  
SOLID FUND - ADOPTED  
2003-2004 FISCAL YEAR**

2003-2004  
ADOPTED  
BUDGET

ACCOUNT	FUND	ORG	PROGRAM	%
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**Payroll Related Expenses**

505201	594	80000	20210	25%
505301	594	80000	20210	25%
505801	594	80000	20210	25%

**Professional Development**

505510	594	80000	20210	25%
505511	594	80000	20210	25%
505512	594	80000	20210	25%
505513	594	80000	20210	25%
505514	594	80000	20210	25%
505520	594	80000	20210	34%

**Stationery & Office**

510104	594	80000	20210	17%
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**Multi-Media Promotions & Subscriptions**

510201	594	80000	20210	50%
510202	594	80000	20210	25%
510204	594	80000	20210	0%
510206	594	80000	20210	25%
510207	594	80000	20210	50%

**Postage**

520101	594	80000	20210	25%
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**Legal Notices**

520201	594	80000	20210	25%
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**Advertising & Public Information**

520301	594	80000	20210	25%
520303	594	80000	20210	25%

**Board Members Fee**

520802	594	80000	20210	25%
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**EXPENSES**

Medicare	226
Retirement	751
Unemployment	16
<b>TOTAL</b>	

993

Travel	4,095
Meals	
Lodging	
Registration	
Parking/Tips	
Dues - Professional organizations	8,663
<b>TOTAL</b>	

12,758

Photocopy supplies	263
<b>TOTAL</b>	

263

Subscriptions	525
Preprinted material	604
Blueprint	
Promotional items	1,103
Printing/Word Processing	
<b>TOTAL</b>	

2,232

US Postage service	131
<b>TOTAL</b>	

131

Election Expense	0
<b>TOTAL</b>	

0

Public Information / Education	2,835
Community Promotion	1,260
<b>TOTAL</b>	

4,095

Board Members Fees (meeting attendance)	11,475
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**TOTAL**

11,475

**COSTA MESA SANITARY DISTRICT  
SOLID FUND - ADOPTED  
2003-2004 FISCAL YEAR**

2003-2004  
ADOPTED  
BUDGET

ACCOUNT	FUND	ORG	PROGRAM	%
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**EXPENSES (CONTINUED)**

**Professional Services Employment**

530100	594	80000	20210	25%
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Professional Svc-Bonus

**5,125**

**TOTAL**

5,125

**General Consulting**

530200 NEW	594	80000	20210	100%
530201	594	80000	20210	25%

Consulting

Strategic Planning

**1,355**

**TOTAL**

1,355

**Legal**

530301	594	80000	20210	25%
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Attorney

**12,815**

**TOTAL**

12,815

**Engineering & Architectural**

530504	594	80000	20210	25%
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Auditing Services

**1,239**

**TOTAL**

1,239

**Contract Services**

530901	594	80000	20210	100%
530903	594	80000	20210	100%
530904	594	80000	20210	100%
530905	594	80000	20210	100%
530906	594	80000	20210	25%
530909	594	80000	20210	25%

City Contract-Solid

**229,058**

Trash Hauler

**2,210,422**

Contract Code Enforcement

**37,028**

Recycling Contract

**1,951,115**

District Manager

**10,250**

Transcription services

**2,255**

**TOTAL**

4,440,128

**General Liability & Other Costs**

540101	594	80000	20210	25%
540902	594	80000	20210	50%

General Liability- Insurance

**12,154**

Operating Costs

**TOTAL**

12,154

**Special Programs**

555101	594	80000	20210	100%
555102	594	80000	20210	100%
555103	594	80000	20210	100%
555104	594	80000	20210	100%
555105	594	80000	20210	100%
555107-NEW	594	80000	20210	100%
555108-NEW	594	80000	20210	100%

Sharps Program

**5,550**

Household Hazardous Waste Program

**24,000**

Telephone Book Recycling Program

**10,500**

Large Item Pick-up

**12,500**

Used Tire Roundup

**250**

Christmas Tree Recycling

**5,000**

Greeting Card Recycling

**200**

**TOTAL**

58,000

**Non-Operating -Other**

599400	594	80000	20210	50%
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Non-operating Expense - Other

**1,000**

**TOTAL**

1,000

**COSTA MESA SANITARY DISTRICT  
SOLID FUND - ADOPTED  
2003-2004 FISCAL YEAR**

2003-2004 ADOPTED BUDGET
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ACCOUNT	FUND	ORG	PROGRAM	%
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**EXPENSES (CONTINUED)**

**Capital Outlay**

590801 New	594	80000	20210	100%
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Capital Outlay  
**TOTAL**

**25,000**

25,000

**Debt Service**

535100	594	80000	20210	100%
535200	594	80000	20210	100%

Debt Service- Principal Payment  
Debt Service- Interest Payment  
**TOTAL**

**188,310**

**92,872**

281,182

**TOTAL - EXPENSES**

**4,869,945**

4,869,945



**COSTA MESA SANITARY DISTRICT  
LIQUID FUND - ADOPTED  
2003-2004 FISCAL YEAR**

2003-2004  
ADOPTED  
BUDGET

ACCOUNT	FUND	ORG	PROGRAM	%
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<b>Taxes</b>					<b>REVENUES</b>	
410100	595	80000	20220	100%	Secured Taxes	
410110	595	80000	20220	100%	Unsecured Taxes	
410120	595	80000	20220	100%	Supplemental Taxes	
410130	595	80000	20220	100%	Homeowners Taxes	
410135	595	80000	20220	100%	Delinquent Tax-Penalties	
					<b>TOTAL</b>	0
<b>Permits</b>						
415180	595	80000	20220	100%	Sewer Permit	
					<b>TOTAL</b>	3,675
<b>Fines/Forfeitures</b>						
420190	595	80000	20220	100%	Excessive Effluent Discharge	
					<b>TOTAL</b>	2,100
<b>Interest</b>						
425100	595	80000	20220	100%	Investments Earnings	
					<b>TOTAL</b>	262,500
<b>Intergovernmental</b>						
430150	595	80000	20220	50%	FEMA Disaster Reimbursement	
					<b>TOTAL</b>	0
<b>Charges for Services</b>						
435190	595	80000	20220	100%	Permits & Inspection Fees	12,600
435195	595	80000	20220	100%	O.C.S.D.. Fees-CMSD Share	11,550
435630	595	80000	20220	100%	Sale of Maps and Publication	105
435999	595	80000	20220	100%	Other Charges for Services	105
440200	595	80000	20220	100%	Special Assessments	1,050
440400	595	80000	20220	100%	Liquid Waste Charges	1,656,776
					<b>TOTAL</b>	1,682,186
<b>Reimbursements</b>						
455230	595	80000	20220	50%	OC Bankruptcy reimbursement	
455999	595	80000	20220	100%	Other Reimbursements	
					<b>TOTAL</b>	0
<b>Non Operating Revenue</b>						
465300	595	80000	20220	100%	Annexation Fees	
465600	595	80000	20220	100%	Non Operating-Other	
					<b>TOTAL</b>	0
					<b>TOTAL REVENUES</b>	1,950,461
						1,950,461

**COSTA MESA SANITARY DISTRICT  
LIQUID FUND - ADOPTED  
2003-2004 FISCAL YEAR**

2003-2004  
ADOPTED  
BUDGET

ACCOUNT	FUND	ORG	PROGRAM	%
---------	------	-----	---------	---

**EXPENSES**

**Payroll Related Expenses**

505201	595	80000	20220	75%
505301	595	80000	20220	75%
505801	595	80000	20220	75%

Medicare	<b>667</b>
Retirement	<b>2,242</b>
Unemployment	<b>37</b>
<b>TOTAL</b>	<b>2,946</b>

**Professional Development**

505510	595	80000	20220	75%
505511	595	80000	20220	75%
505512	595	80000	20220	75%
505513	595	80000	20220	75%
505514	595	80000	20220	75%
505520	595	80000	20220	66%

Travel	<b>12,285</b>
Meals	
Lodging	
Registration	
Parking/Tips	
Dues - Professional organizations	<b>16,958</b>
<b>TOTAL</b>	<b>29,243</b>

**Stationery & Office**

510104	595	80000	20220	83%
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Photocopy supplies	<b>1,313</b>
<b>TOTAL</b>	<b>1,313</b>

**Multi-Media Promotions & Subscriptions**

510201	595	80000	20220	50%
510202	595	80000	20220	75%
510204	595	80000	20220	100%
510206	595	80000	20220	75%
510207	595	80000	20220	50%

Subscriptions	<b>13,991</b>
Preprinted material	<b>1,811</b>
Blueprint	<b>998</b>
Promotional items	<b>3,308</b>
Printing/Word Processing	
<b>TOTAL</b>	<b>20,108</b>

**Postage**

520101	595	80000	20220	75%
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US Postage service	<b>394</b>
<b>TOTAL</b>	<b>394</b>

**Legal Notices**

520201	595	80000	20220	75%
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Election Expense	<b>0</b>
<b>TOTAL</b>	<b>0</b>

**Advertising & Public Information**

520301	595	80000	20220	75%
520303	595	80000	20220	75%

Public Information / Education	<b>8,505</b>
Community Promotion	<b>3,780</b>
<b>TOTAL</b>	<b>12,285</b>

**Board Members Fee**

520802	595	80000	20220	75%
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Board Members Fees (meeting attendance)	<b>34,425</b>
<b>TOTAL</b>	<b>34,425</b>

**COSTA MESA SANITARY DISTRICT  
LIQUID FUND - ADOPTED  
2003-2004 FISCAL YEAR**

2003-2004  
ADOPTED  
BUDGET

ACCOUNT	FUND	ORG	PROGRAM	%
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**EXPENSES (CONTINUED)**

**Repairs and Maintenance**

525304	595	80000	20220	100%
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Sewer Repair & Maintenance  
**TOTAL**

**41,786**

41,786

**Professional Services Employment**

530100	595	80000	20220	75%
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Professional Svc-Bonus  
**TOTAL**

**15,375**

15,375

**General Consulting**

530200	595	80000	20220	100%
530201	595	80000	20220	75%

Consulting  
Strategic Planning  
**TOTAL**

**1,575**

**4,053**

5,628

**Legal**

530301	595	80000	20220	50%
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Attorney  
**TOTAL**

**38,435**

38,435

**Engineering & Architectural**

530401	595	80000	20220	100%
530401	595	80000	20220	100%

District Engineer- Retainer  
Engineering Services  
**TOTAL**

**144,648**

144,648

**Financial & Information Service**

530504	595	8000	20220	75%
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Auditing Services  
**TOTAL**

**3,717**

3,717

**Contract Services**

530902	595	80000	20220	100%
530904	595	80000	20220	100%
530906	595	80000	20220	75%
530909	595	80000	20220	75%

City Contract-Liquid  
Contract Code Enforcement  
District Manager  
Transcription services  
**TOTAL**

**944,982**

**9,844**

**30,750**

**6,765**

992,341

**General Liability & Other Costs**

540101	595	80000	20220	75%
540902	595	80000	20220	50%

General Liability- Insurance  
Operating Costs  
**TOTAL**

**36,460**

36,460

**Non-Operating -Other**

599400	595	80000	20220	50%
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Non-operating Expense - Other  
**TOTAL**

**1,076**

1,076

**Total - Expenses**

**1,380,180**

**1,380,180**

**COSTA MESA SANITARY DISTRICT  
LIQUID FUND - ADOPTED  
2003-2004 FISCAL YEAR**

2003-2004  
ADOPTED  
BUDGET

ACCOUNT	FUND	ORG	PROGRAM	%
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**Account Number: 500000**

Project Number

990001	595	80000	20220	100%
990023	595	80000	20220	100%
990027	595	80000	20220	100%
990035-NEW	595	80000	20220	100%
990036-NEW	595	80000	20220	100%

**CAPITAL PROJECTS**

149 Sinking Fd/Future Sewer Replc	100,000
159 Televising Swr Lines	18,000
164 Misc. Swr. Work/Manhole Adj.	90,000
172 Waste Discharge Req. (WDR) Phase I	250,000
173 SC Plaza Pump Station Force Main Replace.	190,000
<b>Total Current Year Capital Projects</b>	<b>648,000</b>

**TOTAL EXPENSES AND CURRENT  
YEAR CAPITAL PROJECTS**

**2,028,180**

# **CAPITAL IMPROVEMENT PROGRAM**





# Costa Mesa Sanitary District

... an Independent Special District

**Board of Directors**

Arlene Schafer  
Greg Woodside  
James Ferryman  
Art Perry  
Dan Worthington

## REVIEW OF PROPOSED CAPITAL IMPROVEMENT PROJECTS

FISCAL YEAR 2003-2004

**Phone**

(714) 754-5043

**Fax**

(714) 432-1436



**Mailing Address**

P. O. Box 1200  
Costa Mesa, CA  
92628-1200

Prepared by:

Robin B. Hamers

Manager/District Engineer

**Street Address**

77 Fair Drive  
Costa Mesa, CA  
92626-6520

June 17, 2003



Protecting our community's health by providing solid waste and sewer collection services.  
[costamesasanitarydistrict.org](http://costamesasanitarydistrict.org)



# Costa Mesa Sanitary District

... an Independent Special District

Revised June 17, 2003

Revised May 25, 2003

April 2003

## Board of Directors

Arlene Schafer

Greg Woodside

James Ferryman

Art Perry

Dan Worthington

## PROPOSED BUDGET

### COSTA MESA SANITARY DISTRICT

### CAPITAL IMPROVEMENT PROGRAM

### FISCAL YEAR 2003-2004

#### Phone

(714) 754-5043

#### Fax

(714) 432-1436

#### Mailing Address

P. O. Box 1200

Costa Mesa, CA

92628-1200

#### Street Address

77 Fair Drive

Costa Mesa, CA

92626-6520

PROJECT #149	
SINKING FUND FOR FUTURE SEWER REPLACEMENT	\$ 100,000 (CR)
PROJECT #159 TELEVISIONING SEWER LINES	18,000 (CR)
PROJECT #164	
MISCELLANEOUS SEWER WORK & MANHOLE ADJUSTMENT	90,000 (CR)
PROJECT #172	
WASTE DISCHARGE REQUIREMENTS (WDR) - PART I	250,000 (CR)
PROJECT #173	
SOUTH COAST PLAZA PUMP STATION FORCE MAIN REPLACEMENT	190,000 (CR)
TOTAL	\$ 648,000 (CR)

(CR) Denotes Capital Replacement Project

(CI) Denotes Capital Improvement Project

(D) Denotes Design Phase only at this time

(O) Denotes Other

cc. Rob Hamers

Tom Fauth

Joan Revak

Marc Puckett

**PROJECT 1112100-149**

**SINKING FUND FOR FUTURE SEWER REPLACEMENT**

The project was initiated in the 1995-96 year and will provide funding for replacement or reconstruction of the gravity sewer lines as the system reaches its life expectancy.

The Engineer's Report is dated December 1998 and was presented to and approved by the Board of Directors. The level of funding for the sinking fund is determined on a yearly basis depending on the necessity of other projects. Additional updated reports on the fund will be furnished to the Board at regular intervals. The initial report is titled Series Report #1 because the field of pipeline rehabilitation is continuously advancing.

The total value of the fund will be the total capital deposits into the fund as identified in the following schedule:

**SINKING FUND DEPOSITS**

	<b>Fiscal Year</b>	<b>Deposit</b>
	1995-96	\$ 100,805
	96-97	200,000
	97-98	200,000
	98-99	200,000
	99-00	320,000
	2000-01	0
	2001-02	125,000
	2002-03	125,000
<b>Proposed</b>	2003-04	100,000
		<hr/>
	<b>TOTAL DEPOSITS</b>	<b>\$ 1,370,805</b>



**PROJECT 1112100-159**

**TELEVISIONING SEWER LINES**

Over the years the District has benefited greatly from having a yearly small scale televising project. The flexibility of having a contractor on-call to televise small line segments has allowed the District to respond immediately in situations such as when a backup occurs or when the cleaning crews are unsure why the high pressure cleaning hose is not responding as usual. The sewer lines televised under this project are usually done at the request of either the field crew or the District Inspector.

**PROPOSED BUDGET**

Design	\$ 3,500
Televising - not to exceed	10,000
Inspection	3,500
Contingency	1,000
	<hr/>
<b>TOTAL</b>	<b>\$18,000</b>

**PROJECT 1112100-164**

**MISCELLANEOUS SEWER WORK AND MANHOLE ADJUSTMENT**

Examples of recent work covered by the project are the replacement of two air/vacuum valves on the Elden Pumping Station force main, replacement of the traffic rated access door to the 23<sup>rd</sup> Street Pumping Station, replacement of a special square manhole cover at the intersection of Airway Avenue and McCormick Avenue, application of roach control in certain manholes, replacement of miscellaneous piping and pump bases at various pump stations, and other miscellaneous work that must be completed immediately to insure reliable system operation. The sewer system is approximately 50 years old and although there is another 50 years of life expectancy remaining, there is an increase in small items that need to be addressed.

In keeping with maintaining reliability of the pumping stations, it was decided the existing liquid level control system consisting of two bubbler systems could be improved. Money is included in the budget to test a sonar level control and a Multitrode system, both of which are advanced liquid level control systems.

Also included in the project budget is the purchase of manhole frames and covers that are used to replace old frames and covers during street repaving projects. The cost of the adjustment is covered in the project and is usually paid as a reimbursement to the County of Orange, the City of Newport Beach, or the City of Costa Mesa when their contractor performs the adjustment.

All work under this project satisfies State law and District ordinances in that because the work is not bid, the value will not exceed \$15,000.

The project allocation is as follows:

<b>Miscellaneous Construction</b>	<b>\$ 90,000.</b>
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## Project #172 – Waste Discharge Requirements (WDR) - Part I

The Santa Ana Region of the State Water Quality Control Board adopted the Waste Discharge Requirements (WDR) for sewer system owners tributary to the Orange County Sanitation District treatment plants. The WDR place a prohibition on sewer spills and require increased sewer system management to achieve this goal.

One of the requirements of the WDR is the preparation and adoption of a grease control program by December 2004. The program must include the legal authority and elements necessary to eliminate or control discharges of grease into the sewer system. Grease has been determined to be the number one cause of sewer line blockages and spills and associated contamination of ocean water.

The Attorney for the CMSD is a member of the WDR Legal Committee and will be preparing a model grease control ordinance for all the agencies subject to the WDR. The ordinance will also be considered by the CMSD.

The Orange County Sanitation District and the agencies subject to the WDR have commissioned a comprehensive fats, oils, and grease (FOG) multiphase study. Phase I is complete and a portion of the funds derived from this project are recommended for the CMSD contribution for Phase II. The breakdown of the funds is as shown below.

Another portion of the funds from this project are recommended for the OCSO development of the website spill reporting program. Currently, the agencies use their own computer programs to file the reports and it is very time consuming to compile monthly statistics.

The largest and most significant component of this project is the first step in the grease control program. The Phase I report identifies FOG Characterization as the first step. Characterization refers to determining the source or cause of grease in the system and the impacts on the system. Every sewer system has "hot spots", defined as segments of line requiring frequent cleaning, some as often as once a week. The main cause of hot spots is grease, however, pipe problems such as offset joints, roots, or sags can themselves cause problems or combine with grease to cause a problem.

The Characterization will include a survey of the 400 food service establishments (FSEs) in the District to ascertain which FSEs have grease control devices such as interceptors. The survey entails sending a person to the FSEs and meeting with the owner or manager to complete a check list of items. The information will be compiled into a data base.

Along with the FSE survey will be an analysis of the hot spots. A District-wide map will be prepared that shows the FSEs with grease control devices, those without grease control devices, the locations of the hot spots, and the location of the sewer spills for the last two years. Correlations between the FSEs, the hot spots, and the sewer spills will disclose which FSEs need grease control to alleviate the hot spots and future sewer spills.

Once the FSEs needing grease control have been identified, the various options for grease control as specified in the forthcoming revisions to the District grease control ordinance will be recommended to the FSE. These options include grease traps, kitchen best management practices (BMPs) such as scraping grease off plates into the trash instead of the sink, and biological additives such as bacteria and enzymes.

Without the detailed Characterization work, the District is faced with imposing blanket requirements on FSEs to reduce grease. Without the knowledge of whether an individual grease discharge is causing the District a problem, a FSE may protest the requirements as unjust. A protest by restaurant owners and the restaurant industry typically happens in agencies that do not perform Characterization.

The likely consultant to perform the FOG characterization for the Costa Mesa Sanitary District is the same consultant retained to prepare the Phase I and II FOG studies. This consultant currently has more knowledge and understanding of the components for a successful grease control program than any other individual or firm in the United States. Many other agencies subject to the WDR will also be retaining this consultant. The Costa Mesa Sanitary District does not have the manpower to perform this study in-house.

The budget for the project is comprised of the following items:

<b>Contribution for Phase II FOG Study</b>	<b>\$ 15,000.</b>
<b>Contribution for development of Website spill reporting database</b>	<b>1,200.</b>
<b>FOG Characterization – Part I</b>	<b>175,000.</b>
<b>CMSD District Engineer administration</b>	<b>18,000.</b>
<b>CCTV Work</b>	<b>30,000.</b>
<b>Contingency</b>	<b>10,800.</b>
	<hr/>
<b>Total</b>	<b>\$ 250,000.</b>

### **Project #173 South Coast Plaza Pump Station Force Main Replacement**

On Sunday June 30, 2002, the pressurized sewer line (force main) from the pump station ruptured and required emergency repair. The force main showed signs of deterioration as the thickness of the pipe wall had thinned and a crack allowed the water to exit the pipe. The repair had to be accomplished by hand digging because the break was located under a storm drain line.

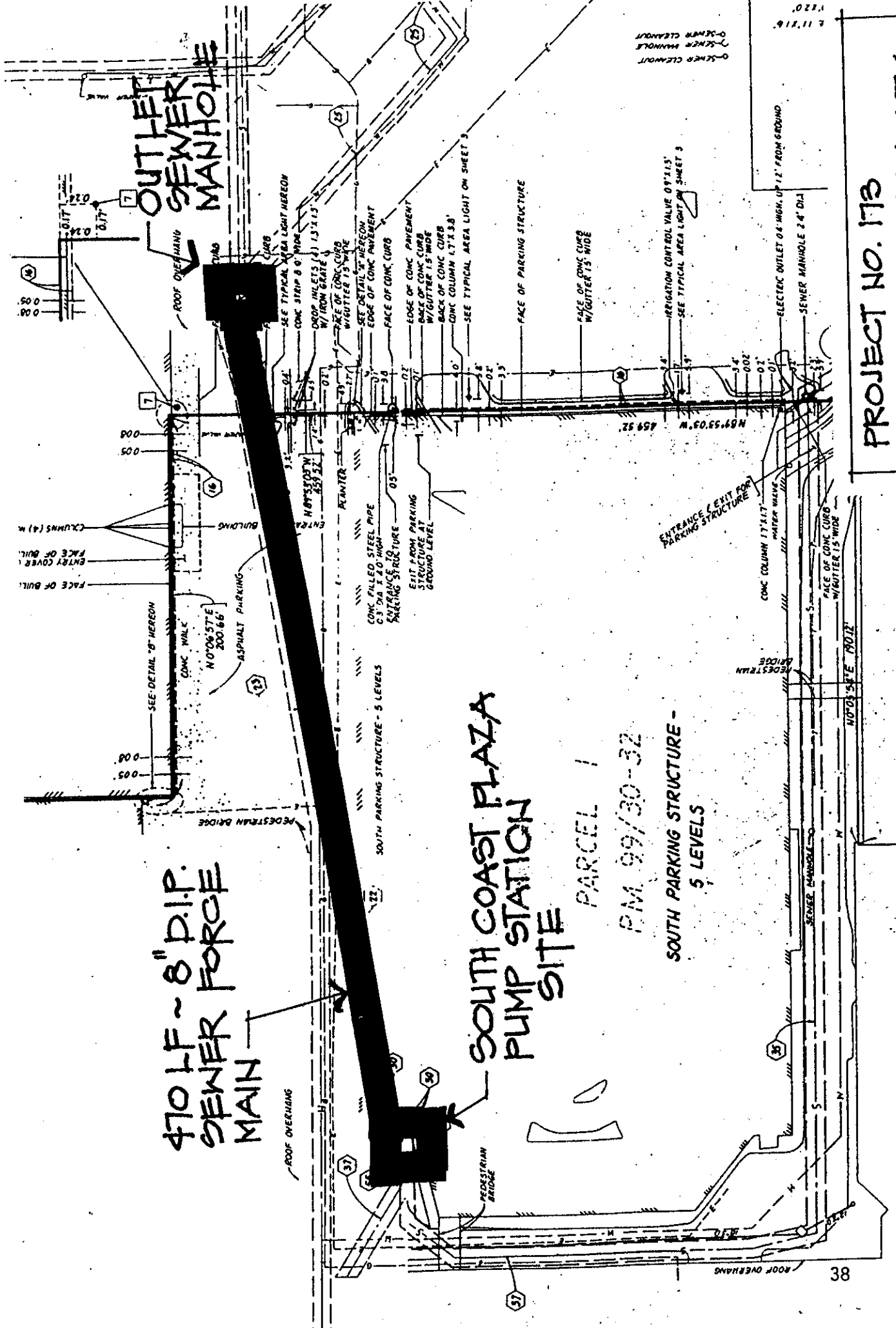
The District uses a three part test to determine whether a force main is ready for rehabilitation or replacement. The three parts are the age of the force main, whether there has been a break in the line, and the structural stability of the pipe. A break is very revealing as it allows inspection of the inside and outside pipe wall and the effect of the soil on the pipe. In the case of the South Coast Plaza force main, the pipe wall was very thin, implying additional breaks may occur.

Force main rehabilitation and replacement was identified in the 2002 Sewer Master Plan Update as an on-going program to insure the reliability of the sewer system as a whole. A table is included with the date of installation, the pipe material, and the date at which the pipeline is 30 and 50 years old. The life expectancy of a force main is less than a gravity sewer because the water in a force main is under pressure and exerts a force on the pipe during pump operation.

During Project #168-Canyon Pump Station force main, the District found a lack of contractors able to install a structural lining inside an 8 inch pressure line. Therefore, Staff of the District met with South Coast Plaza officials to determine the proposed alignment of the replacement force main. The existing alignment runs through a portion of the South parking structure and then in the drive area where there are many utilities. A continued alignment through the parking structure may allow unencumbered construction with a minimum of hand digging and protection of existing utilities. The final alignment will be determined during the design phase of the project.

#### **PROPOSED BUDGET**

<b>Design</b>	<b>\$ 15,000</b>
<b>Construction</b>	<b>145,000</b>
<b>Inspection</b>	<b>15,000</b>
<b>Contingency</b>	<b>15,000</b>
	<hr/>
<b>Total</b>	<b>\$ 190,000</b>



PROJECT NO. 173

## **GLOSSARY**



## GLOSSARY OF BUDGET TERMS

**ACCRUAL BASIS OF ACCOUNTING:** Revenues are recognized when both measurable and available; expenditures are recorded when services have been substantially performed or goods have been received and the liabilities incurred.

**ADOPTED BUDGET:** The official budget as approved by the District Board at the start of each fiscal year.

**AD VALOREM TAX:** (which means “according to its value.”) A state or local government agency tax based on the value of real property as determined by the county tax assessor.

**AMENDED BUDGET:** The official budget as adopted and as amended by the District Board through the course of a fiscal year.

**APPROPRIATIONS:** A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and to the time when it may be expended.

**ASSESSED VALUATION:** A taxing agency's property tax base stated in dollars based on real estate and/or other taxable business property for the purposes of taxation, sometimes expressed as a percent of the full market value of the taxable property within the agency's tax rate area.

**BUDGET:** A plan of financial operation comprised of estimated expenditures for a given period (usually a single fiscal year) and the proposed means of financing the expenditures (through revenues).

**BUDGET MESSAGE:** A written discussion of the proposed budget presented by the District Manager or District Treasurer to the Board.

**CAPITAL BUDGET:** A budget which focuses on capital projects to implement the Capital Improvement Program.

**CAPITAL IMPROVEMENT PROGRAM:** A plan for capital improvements to be implemented each year over a fixed period of years to meet capital needs arising from the assessment of long-term needs. It sets forth each project in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

**CAPITAL IMPROVEMENT PROJECT:** The budget unit to group all activities and costs necessary to implement a specific capital improvement and / or acquisition. A project can include the construction, acquisition, expansion, replacement, or rehabilitation of a physical facility or improvement. Projects often include planning and design, land acquisition, and project management costs related to such facilities and improvements.

**CONTRACTED SERVICES:** Services rendered in support of the District's operations and activities by external parties. These may be based upon either formal contracts or ad hoc charges.

**DEBT SERVICE FUND:** A fund established for the payment of interest and principal on all debt other than payable exclusively from special assessments.



## GLOSSARY OF BUDGET TERMS

**DEBT SERVICE RESERVE FUND:** A bank trustee account established by the trust indenture and used as a backup security for an issuer's bonds. It usually amounts to one year's debt service, and can be drawn on by the Trustee in the event of an impairment of the Trust indenture.

**DIVISION:** An organizational subgroup of a department.

**ENCUMBRANCE:** The commitment of appropriated funds to purchase goods which have not yet been received, or services that have yet to be rendered.

**EXPENDITURES:** Decreases in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service and capital outlays.

**EXPENSES:** Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

**FISCAL YEAR:** A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position, the results of its operations, and adopts a budget for the coming year. The Costa Mesa Sanitary District's fiscal year is from July 1 to June 30.

**FIXED ASSETS:** Equipment costing \$750 or more, with a useful life longer than one year, including tax, and not qualifying as a capital improvement project. Includes automotive equipment, office equipment, office furniture, acquisitions, landscaping improvements, etc.

**FUND:** A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

**FUND BALANCE:** A term used to express the equity (assets minus liabilities) of governmental fund and fiduciary fund types. However, for budgeting purposes, a working capital definition of current assets minus current liabilities is used for the computation.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP):** Uniform minimum standards of / and guidelines for financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations.

**INTERGOVERNMENTAL REVENUE:** Revenue collected by one government and distributed (usually through some predetermined formula) to another level of government(s).

**MODIFIED ACCRUAL BASIS:** The accrual basis of accounting where revenues are recognized when they become both "measurable" and "available" to finance expenditures of the current period. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting.

## GLOSSARY OF BUDGET TERMS

**NET BUDGET:** The legally adopted budget less all interfund transactions. Those amounts in the budget representing transfers and interfund reimbursements are subtracted from the legally adopted budget amount.

**OBJECTIVE:** A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year. A good statement of objective should imply a specific standard of performance for a given program.

**OBJECT CODE:** The classification of expenditures in terms of what is bought and paid for grouped into major object codes by subject.

**OPERATING BUDGET:** A budget which focuses on everyday operating activities and programs.

**OPERATING TRANSFERS:** Legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended, such as transfers from a General Fund to a Special Revenue or Capital Projects Fund.

**PERSONNEL EXPENSES:** Compensation paid to or on behalf of District employees for salaries and wages, overtime and benefits.

**PROFESSIONAL SERVICES:** Includes the cost of outside professional and specialized services purchased by the District. This includes consultants for special studies, outside attorneys, architectural and engineering assistance, law enforcement, employment, medical and health inspections and recreation.

**PROGRAM BUDGET:** A budget organized by programs. A program used in this application is a grouping of related activities, projects and services which are similar in purpose. The expenditure focus of a program budget is related to the nature of work and services performed.

**PROPERTY TAX:** A tax levied on real estate and personal property.

**PROPERTY TRANSFER TAX:** Is assessed on all real property transfers at the current rate of \$.55 per \$500 in assessed value, and is collected at the time of the transfer with the County receiving half the collected amount.

**PROPOSED BUDGET:** The budget as formulated and proposed by the Director of Finance. It is submitted to the District Board for review and approval.

**RETAINED EARNINGS:** An equity account reflecting the accumulated earnings of Proprietary Fund types. For budgeting purposes, the working capital definition of fund balance is used.

**REVENUE:** Moneys that the District receives as income such as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

## **GLOSSARY OF BUDGET TERMS**

**SELF-INSURANCE:** A term often used to describe the retention of liabilities, arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. The District has purchased outside insurance for excess coverage in these areas.

**SPECIAL REVENUE FUNDS:** Used to account for revenue derived from specific taxes or other earmarked revenue sources (other than expendable trusts or for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

**SUPPLEMENTAL ROLL PROPERTY TAXES:** Assessed on property that changes ownership during the year and is based on the difference between the new and old assessed values.

**TAX BASE:** The total taxable property (resource base) of the District that is legally available for taxation.

**TAXES:** Compulsory charges levied by a government agency for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, user charges.

**USER CHARGES:** User charges and fees are payments made by customers for publicly provided services that benefit specific individuals and exhibit "public good" characteristics. An examples of such fees are recreational fees, building permit fees, etc.

**UTILITIES:** Includes cost of all utility services that are purchased by the District such as gas, water, electric.

